



STATE OF CALIFORNIA BUSINESS TRANSPORTATION AND HOUSING AGENCY

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK



ANNUAL ACTIVITY REPORT FISCAL YEAR 2008/2009



*“FINANCING FACILITIES THAT PROMOTE
ECONOMIC DEVELOPMENT”*



ANNUAL ACTIVITY REPORT FISCAL YEAR 2008/2009

INTRODUCTION

This report is submitted in accordance with Government Code Section 63035, which requires the California Infrastructure and Economic Development Bank (I-Bank) to submit to the Governor and the Joint Legislative Budget Committee a report of its activities for the preceding fiscal year. This Annual Report includes:

- (a) (1) A listing of applications accepted, including a description of the expected employment impact of each project.
- (2) A separate summary of applications for the Infrastructure State Revolving Fund Program, including a summary of the number of preliminary applications that did not receive funding and the reason the applicant did not qualify.
- (b) A specification of bonds sold, and interest rates thereon.
- (c) The amount of other public and private funds leveraged by the assistance provided.
- (d) A report of revenues and expenditures for the preceding fiscal year, including all of the I-Bank's costs. The information provided pursuant to this subdivision shall include, but need not be limited to, both of the following:
 - (1) The amount and source of total bank revenues. Revenues shall be shown by main categories of revenues, including interest earnings, fees collected, and bond proceeds, for each bank program.
 - (2) The amount and type of total bank expenditures. Expenditures shall be shown by major categories of expenditures, including loans provided, debt service payments, and program support costs, for each bank program.
- (e) A projection of the I-Bank's needs and requirements for the coming year.
- (f) Recommendations for changes in state and federal law necessary to meet the objectives of this division.

I-BANK OVERVIEW

The I-Bank, housed within the State of California's Business, Transportation and Housing Agency, has a mission to finance public infrastructure and private development that promote economic development, revitalize communities, and enhance the quality of life throughout California. The I-Bank's primary programs include the Infrastructure State Revolving Fund (ISRF) Program that provides direct low-cost financing to public agencies for a wide variety of public infrastructure projects, and Bond Financing Programs that provide tax-exempt conduit revenue bond financing for qualified manufacturing companies, nonprofit organizations, public agencies, other eligible entities, and revenue bond financing for the I-Bank's own ISRF Program.



**SUMMARY OF I-BANK ACTIVITIES DURING
FISCAL YEAR 2008/2009**

- (a) (1) A listing of applications accepted, including a description of the expected employment impact of each project.

A summary of Preliminary Applications received is as follows:

Program	Number of Preliminary Applications Received	Financing Amount Requested
ISRF Program	10	\$60,980,525
Bond Financing Programs	2	\$20,000,000
Total Amount	12	\$80,980,525

A summary of Financing Applications received is as follows:

Program	Number of Financing Applications Received	Financing Amount Requested
ISRF Program	4	\$14,297,000
Bond Financing Programs	13	\$1,722,550,000
Total Amount	17	\$1,736,847,000

A listing of these applications is contained in the following appendices:

- **Appendix 1—ISRF Program Preliminary Applications Received**
- **Appendix 2—Bond Programs Preliminary Applications Received**
- **Appendix 3—ISRF Program Financing Applications Received**
- **Appendix 4—Bond Programs Financing Applications Received**

Note: Expected employment impacts for approved projects are contained in **Appendix 6—Listing of ISRF Program Loans Approved**.

- (2) A separate summary of applications for the ISRF Program, including a summary of the number of preliminary applications that did not receive funding and the reason the applicant did not qualify.

The summary of ISRF Program applications is found in **Appendices 1 and 3**. A summary of the ISRF Program preliminary applications that did not receive funding, including the reasons the applicant did not qualify is contained in **Appendix 5—ISRF Program Preliminary Applications Withdrawn or Inactive**.



- (b) Specification of bonds sold, and interest rates thereon.

A summary of bonds sold is contained in the following table along with a summary of Board approved ISRF Program loans (although approved loans are not required to be reported per Government Code Section 63035¹.)

	Number of Loans Approved and Bonds Sold	Expected Employment Impacts— Estimated Jobs²	Financing Amount	Leverage
ISRF Program Approved Loans	6	259	\$22,847,500	\$1,521,426
Bond Financing Programs Bonds Sold	18	1463	\$1,248,990,000	\$191,758,010
TOTAL APPROVED LOANS AND BONDS SOLD	24	1722	\$1,271,837,500	\$192,873,436

Appendix 6—Listing of ISRF Program Loans Approved and **Appendix 7—Listing of Bond Programs Bonds Sold** contain a detailed listing of the loans approved and bonds sold during Fiscal Year 2008/2009, along with expected employment impacts, and other project and financing information.

The summary above and Appendix 6 do not reflect the workload associated with numerous amendments to existing conduit bond documents that occurred during the fiscal year. Amendments principally were necessitated by the need to restructure transactions due to rating downgrades and other fiscal impacts to bond credit enhancement providers (bond insurers and letter of credit providers) as a result of the ongoing credit crisis.

- (c) Amount of other public and private funds leveraged by the assistance provided.

See chart above and **Appendices 6 and 7** for leverage information.

- (d) A report of revenues and expenditures for the preceding fiscal year, including all of the I-Bank's costs. The information provided pursuant to this subdivision shall include, but need not be limited to, both of the following:
- (1) The amount and source of total bank revenues. Revenues shall be shown by main categories of revenues, including interest earnings, fees collected, and bond proceeds, for each bank program.
 - (2) The amount and type of total bank expenditures. Expenditures shall be shown by major categories of expenditures, including loans provided, debt service payments, and program support costs, for each bank program.

¹ Applications for several loans and bonds approved in the 2008/2009 fiscal year were submitted in the prior fiscal year.

² Includes both construction jobs and full-time equivalent jobs.



Appendix 8—Audited Statement Of Revenues, Expenses, and Changes In Net Assets of the California Infrastructure and Economic Development Bank contains the audited revenues and expenses of the I-Bank’s two funds, the California Infrastructure and Economic Development (CIEDB) Fund and the California Infrastructure Guarantee Trust Fund (Guarantee Trust Fund). The audit is prepared on a full accrual basis.

Appendix 9—Statement of Cash Flows By Program of the California Infrastructure And Economic Development Bank contains cash flows by program for the CIEDB Fund and the Guarantee Trust Fund.

- (e) A projection of the I-Bank’s needs and requirements for the coming year.

The Business, Transportation and Housing Agency will not seek any new positions for the I-Bank for the 2009/2010 fiscal year. While the I-Bank does not intend to seek any new positions, the furloughs have negatively impacted and hampered the I-Bank’s ability to establish new municipal bond programs that are authorized under the American Recovery and Reinvestment Act. Many of these new bond programs are only authorized through the end of 2010. As such, the I-Bank will likely not be a vehicle to assist California communities and businesses with these new economic stimulus products.

- (f) Recommendations for changes in State and Federal law necessary to meet the objectives of this division.

The I-Bank does not recommend any changes in State or Federal law at this time.

APPENDICES

Appendix 1—ISRF Program Preliminary Applications Received

Appendix 2—Bond Programs Preliminary Applications Received

Appendix 3—ISRF Program Financing Applications Received

Appendix 4—Bond Programs Financing Applications Received

Appendix 5—Listing of ISRF Program Preliminary Applications Withdrawn or Inactive

Appendix 6—Listing of ISRF Program Loans Approved

Appendix 7—Listing of Bond Programs Bonds Sold

Appendix 8—Audited Statement of Revenues, Expenses and Changes in Net Assets of the California Infrastructure and Economic Development Bank

Appendix 9— Statement of Cash Flows By Program of the California Infrastructure And Economic Development Bank

APPENDIX 1—ISRF PROGRAM PRELIMINARY APPLICATIONS RECEIVED
Fiscal Year 2008/2009

Name of Applicant	Project Location	Proposed Project Description	Amount Requested
City of Davis	City of Davis	Water Treatment and Distribution: Purchase an existing privately-owned well to replace a failing municipal well.	\$1,886,500
San Simeon Community Services District	County of San Luis Obispo	Water Treatment and Distribution: Replace existing pumps and casings at two existing wells in Pico Creek Basin, and construct a new building to include electrical and telemetry equipment.	\$612,000
City of Delano Redevelopment Agency	City of Delano	Public Safety Facility: Construct and renovate an abandoned K-Mart to house the Delano Police Department.	\$6,582,025
City of Delano	City of Delano	Public Safety Facility: Construct and renovate an abandoned K-Mart to house the Delano Police Department. (Same project above).	\$10,000,000
Indio Water Authority	County of Riverside	Water Supply, and Water Treatment and Distribution: Construct water reservoir and drill an additional well to augment existing supply and provide emergency capacity.	\$10,000,000
City of Paramount	City of Paramount	Water Supply and Water Treatment and Distribution: Construct an additional potable water well to augment the City's current supply, a treatment plant for secondary treatment system for manganese and arsenic, and install equipment and piping necessary to connect to City's existing distribution system.	\$4,500,000
North Tahoe Fire Protection District	City of Tahoe City	Public Safety Facility: Construct a fire station and administrative offices for the relocation of Fire Station 51 and the district's administrative offices.	\$10,000,000
Borrego Water District	San Diego County	Water Supply and Water Treatment and Distribution: Drill two new wells and construct two new reservoirs with transmission mains and appurtenances.	\$5,400,000
City of Davis	City of Davis	Water Supply and Distribution: Construct a four million gallon pre-stressed concrete municipal water storage tank with pump station and transmission line to existing water distribution system.	\$10,000,000
Highlands Recreation District	City of Highlands	Parks and Recreation Facilities: Construct a child development and multi-purpose senior center.	\$2,000,000
Total ISRF Program Preliminary Applications Received	10		\$60,980,525

APPENDIX 2—BOND PROGRAMS PRELIMINARY APPLICATIONS RECEIVED

Fiscal Year 2008/2009

Name of Applicant	Project Location	Type of Financing ³	Proposed Project Description	Amount Requested
Solar Atmospheres, Inc.	City of Perris	IDB	Acquire land and an existing building to be used for commercial heat treating of metal parts for the medical, aerospace, job shop, metal, instruments and other industries.	\$10,000,000
Olam West Coast, Inc.	County of Fresno	IDB	Acquire land and an existing building of a defunct dehydration plant to be used for new dehydration plant.	\$10,000,000
Total Revenue Bond Programs Preliminary Applications Received	2			\$20,000,000

³ "IDB" means industrial development conduit revenue bond.

APPENDIX 3—ISRF PROGRAM FINANCING APPLICATIONS RECEIVED
Fiscal Year 2008/2009

Name of Applicant	Project Location	Proposed Project Description	Amount Requested
City of Newman	City of Newman	Water Treatment and Distribution: Wastewater Treatment Plant Storage Basin Expansion Project. Construct a 39-acre treated wastewater storage basin at existing wastewater treatment plant.	\$3,166,900
City of Lawndale	City of Lawndale	Parks and Recreation Facilities: Charles B. Hopper Park Project. Construct new park on vacant land surrounded by developed parcels.	\$830,100
Fieldbrook Glendale Community Services District	County of Humboldt	Water Supply: Anker Lane Roof Replacement Project. Replace roof on a 400,000 gallon water tank to protect treated water.	\$300,000
City of Davis	County of Yolo	Water Supply and Water Treatment and Distribution: East Area Water Storage Tank Capital Improvement Project (CIP 8172.) Construct a 4 million gallon municipal water storage tank and an 8.6 million gallon per day pump station, associated yard piping and water transmission main to connect to the existing city water distribution system.	\$10,000,000
TOTAL ISRF PROGRAM FINANCING APPLICATIONS	4		\$14,297,000

APPENDIX 4—BOND PROGRAM FINANCING APPLICATIONS RECEIVED
Fiscal Year 2008/2009

Name of Applicant	Project Location	Type of Financing⁴	Proposed Project Description	Amount Requested
The Colburn School	City of Los Angeles	501(c)(3)	Refund the outstanding 2006B bonds issued by the I-Bank.	\$135,000,000
The American National Red Cross	City of Pomona	501(c)(3)	Refund the outstanding 2005 bonds issued by the I-Bank.	\$41,000,000
Asian Art Museum Foundation of San Francisco	City of San Francisco	501(c)(3)	Refund the outstanding 2005 bonds issued by the I-Bank.	\$122,000,000
Pacific Gas & Electric (PG&E) Company ⁵	Counties of Sonoma, Mendocino, Lake, and San Luis Obispo	Exempt Facility	Refund the outstanding 2005 bonds issued by the California Pollution Control Financing Authority.	\$453,550,000
Academy of Motion Picture Arts and Sciences	City of Los Angeles	501(c)(3)	Refund the outstanding 2002 bonds issued by the I-Bank.	\$35,000,000
The Creative Center of Los Altos dba Pinewood School	Cities of Palo Alto and Los Altos	501(c)(3)	Acquire, develop and construct educational facilities, including the demolition of existing facilities and construction of a new classroom facility, and enhance play areas and gymnasium/activity center.	\$13,500,000
Poseidon Resources (Channelside) LLC	City of Carlsbad	Exempt Facility	Plan, acquire, design, develop and construct a seawater desalination plant and associated water pipelines to produce potable drinking water in order to serve a portion of the County of San Diego.	\$480,000,000
Casa Loma College	City of Los Angeles	501(c)(3)	Acquire, develop, and equip property for classrooms, an electronic library and staff offices.	\$6,000,000
The Bay Institute Aquarium Foundation	City of San Francisco	501(c)(3)	Acquire the Aquarium of the Bay.	\$12,000,000
Maguire Aviation-Van Nuys (Romeo)	City of Los Angeles	Exempt Facility	Acquire, develop, and construct a fixed base aviation operation facility.	\$100,000,000

⁴ “501(c)(3)” means qualified 501(c)(3) conduit revenue bond or loan.

⁵ PG&E application resulted in two separate series of bonds sold. Refer to Appendix 7— Listing of Bonds Programs Bonds Sold.

APPENDIX 4—BOND PROGRAM FINANCING APPLICATIONS RECEIVED
Fiscal Year 2008/2009

Name of Applicant	Project Location	Type of Financing⁴	Proposed Project Description	Amount Requested
Maguire Aviation – 16700 Roscoe Associates, LLC	City of Los Angeles	Exempt Facility	Acquire, develop, and construct a fixed base aviation operation facility.	\$100,000,000
California Independent Systems Operator Corporation	Cities of Folsom and Alhambra	501(c)(3)	Construct a 278,000 square foot administrative headquarters facility, and acquire computer equipment and proprietary software.	\$210,000,000
The John Thomas Dye School	City of Los Angeles	501(c)(3)	Construct administrative offices, an academic center and a parking structure.	\$14,500,000
Total Bond Financing Programs Financing Applications Received	13			\$1,722,550,000

APPENDIX 5—LISTING OF ISRF PROGRAM PRELIMINARY APPLICATIONS WITHDRAWN OR INACTIVE
Fiscal Year 2008/2009

Applicant	Location	Financing Amount Requested	Project Description	Date Received	Date Withdrawn/ Made Inactive	Reason(s)
Delano Union School District	County of Kern	\$5,000,000	Public Transit: Construct the Central Valley Regional Alternative Fuel Maintenance, Operation and Transportation Facility.	7/17/07	2/18/09	Applicant cancelled the Project and withdrew the application.
City of San Juan Bautista	City of San Juan Bautista	\$6,906,000	Water Treatment and Distribution: Construct water pipeline and storage well.	10/18/07	11/03/08	Applicant found the process lengthy and cumbersome, elected to issue bonds for the project and withdrew the application.
City of San Juan Bautista	City of San Juan Bautista	\$1,492,000	Sewage Collection and Treatment: Replace existing sewer line and upgrading of existing storm drain.	3/18/08	11/03/08	Applicant found the process lengthy and cumbersome, elected to issue bonds for the project and withdrew the application.
City of Santa Barbara	City of Santa Barbara	\$1,500,000	Port Facilities: Replace the Marina 1 main walkway, gangway, and associated utilities in Santa Barbara Harbor.	06/04/08	11/21/08	Applicant postponed the project to 2010, by which time it anticipates funding will be available from the California Department of Boating and Waterways. Applicant requested the application be put on inactive status.
City of Davis	City of Davis	\$1,886,500	Water Treatment and Distribution: Purchase an existing privately-owned well.	8/19/08	12/10/08	Applicant used its own funds to acquire the property prior to I-Bank Board approval making project ineligible, and withdrew its application.
San Simeon Community Services District	County of San Luis Obispo	\$612,000	Water Treatment and Distribution: Replace existing pumps and casings at two existing wells in Pico Creek Basin, and construct a new building to include electrical and telemetry equipment.	9/12/08	12/10/08	Small system and demonstrated inadequate cash flow to service proposed debt. Referred to Community Development Block Grant Program for grant funding, and Applicant withdrew the application.
Indio Water Authority	County of Riverside	\$10,000,000	Water Treatment and Distribution. Construct water reservoir and drill an additional well to augment existing supply and provide emergency capacity.	10/31/08	3/17/09	Applicant investigating the availability of federal stimulus funding and withdrew the application. May reapply if federal funds are not received.
Total Preliminary Applications Withdrawn or Inactive	7	\$27,396,500				

APPENDIX 6—LISTING OF ISRF PROGRAM LOANS APPROVED
Fiscal Year 2008/2009

Name of Borrower	Project Location	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact)⁶	Financing Amount	Leverage
East Orange County Water District	County of Orange	3.65%	Water Treatment and Distribution: New Well Construction and Newport-Barrett-Marcy Distribution Main Replacement Project. Construct a new water well and replace 2,100 linear feet of water pipeline on Newport Avenue, Barrett Lane & Marcy Drive.	Avoid a catastrophic system failure of aging water lines, increase the reliability of potable water, and provide an improved water distribution system. Estimated construction payroll of \$344,800 creating 6 construction jobs	\$1,793,000	\$122,470
Fieldbrook Glendale Community Services District	County of Humboldt	4.07%	Water Treatment and Distribution: Anker Lane Roof Replacement Project. Roof replacement on a 400,000 gallon water tank to protect treated water.	Ensure safe and secure storage of potable water for the health and safety of the public. Estimated construction payroll of \$48,016 creating 1 construction job.	\$300,000	\$0
City of Lawndale	City of Lawndale	3.35%	Park and Recreational Facilities: Charles B. Hopper Park Project Construct new park on vacant land surrounded by developed parcels.	Increase open space within the city limits (at 0.10 acre per 1,000 population the city is well below the national standard of 5 to 10 acres per 1,000 residents set by the National Recreation and Parks Association), enhance the quality of life within the community, and fulfill Goal #9 of the Land Use Element of Lawndale's General Plan. Estimated construction payroll of \$191,982 creating 4 construction jobs.	\$830,100	\$770,800

⁶ Estimated construction payroll is calculated at 20% of total project construction costs (the average of receipts-to-payroll for the construction industry). Construction jobs are calculated on a person-year basis rather than on a permanent basis by dividing the estimated construction payroll by the average annual wage for construction in the county in which the Project is located. County level construction wage data was obtained from the Employment Development Department's website at www.labormarketinfo.edd.ca.gov. County construction wage data for calendar year 2008 was used to calculate estimated construction jobs.

APPENDIX 6—LISTING OF ISRF PROGRAM LOANS APPROVED

Fiscal Year 2008/2009

Name of Borrower	Project Location	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact) ⁶		Financing Amount	Leverage
City of Newman	City of Newman	3.87%	Sewage Collection and Treatment: Wastewater Treatment Plant Storage Basin Expansion Project. Construct a 39-acre treated wastewater storage basin at existing wastewater treatment plant.	Increase storage capacity in compliance with the Regional Water Quality Control Board’s standards for 100-year storm events, protect the environment, and allow the City to market 30 acres of undeveloped business park land without qualification of a flood control issue. Estimated construction payroll of \$600,000 creating 14 construction jobs.		\$3,166,900	\$200,000
City of Porterville	City of Porterville	3.84%	Water Treatment and Distribution: Eastside Water Improvement Projects. Construct and install pipelines, booster pumps and a storage reservoir with well pump equipment and accessories.	Provides water infrastructure improvements to encourage growth in the City’s economy by supporting industrial/commercial infill development resulting in more compact development and the conservation of agricultural, and provide water supply and distribution capacity through the year 2015. Estimated construction payroll of \$1,260,000 creating 30 construction jobs.		\$6,757,500	\$22,156
City of Davis	County of Yolo	4.00%	Water Treatment and Distribution. East Area Water Storage Tank Capital Improvement Project (CIP 8172.) Construct a four million gallon municipal water storage tank and an 8.6 million gallon per day pump station, associated yard piping and water transmission main to connect to the existing city water distribution system.	Support additional water demands of east Davis that include the development of a retail shopping center (Second Street Crossing), enabling up to an additional 173 full time jobs. Estimated construction payroll of \$1,894,200 creating 31 construction jobs.		\$10,000,000	\$406,000
Total Loans Approved	6			Estimated FTE ⁷ Jobs: 173	Estimated Construction Jobs: 86	\$22,847,500	\$1,521,426
				Total Estimated Jobs: 259			

⁷ "FTE" means full-time equivalent.

APPENDIX 7—LISTING OF BOND PROGRAMS BONDS SOLD
Fiscal Year 2008/2009

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact)	Financing Amount	Leverage
Orange County Performing Arts Center	City of Costa Mesa	501(c)(3)	Variable Rate	Refund the outstanding 2004 and 2007 bonds issued by the I-Bank.	Education programs estimated to be able to reach an additional 650,000 young people annually in seven California counties.	\$240,000,000	\$0
Asian-American Drug Abuse Program, Inc.	City of Los Angeles	501(c)(3)	Variable Rate	Refinance existing taxable debt used to purchase two existing buildings.	Provide community programs including drug treatment, counseling, rehabilitation, drug abuse prevention, job training and employment services.	\$3,630,000	\$20,000
California Academy of Sciences	City of San Francisco	501(c)(3)	Variable Rate	Refund the outstanding 2003 and 2005 bonds issued by the I-Bank, finance additional project expenses and rising costs of materials.	Provide research, education and exhibition programs for the public as well as the scientific community. Estimated construction payroll of \$65,800,000 creating 921 construction jobs.	\$281,450,000	\$185,500,000
San Francisco Ballet Association	City of San Francisco	501(c)(3)	Variable Rate	Refund the outstanding 2006 bonds issued by the I-Bank.	Promotes the arts, the training of dancers and the cultural appreciation of ballet.	\$44,900,000	\$0
Hillview Mental Health Center, Inc.	City of Los Angeles	501(c)(3)	Variable Rate	Refinance existing taxable and tax-exempt debt; finance the purchase of a medical records information system and construction of a parking lot kiosk.	Provide services to individuals with severe mental disabilities who are homeless, in poverty or have low or very-low income levels. The project is located in both a Federally-designated Empowerment Zone and a State-designated Enterprise Zone.	\$3,610,000	\$0

APPENDIX 7—LISTING OF BOND PROGRAMS BONDS SOLD
Fiscal Year 2008/2009

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact)	Financing Amount	Leverage
Pacific Gas & Electric Company	Counties of Sonoma, Mendocino, Lake, and San Luis Obispo	Exempt Facility	Variable rate	Refund the outstanding 2005 bonds issued by the California Pollution Control Financing Authority.	Ratepayers estimated to save approximately \$55 million in interest over the next 18 years.	\$95,000,000	\$0
Pacific Gas & Electric Company	Counties of Sonoma, Mendocino, Lake, and San Luis Obispo	Exempt Facility	Variable rate	Refund the outstanding 2005 bonds issued by the California Pollution Control Financing Authority.	(see above.)	\$308,550,000	\$0
California Infrastructure and Economic Development Bank (ISRF Program Bonds)	Statewide	PARB ⁸ - ISRF Revenue Bonds	Fixed Rate 4.37% TIC ⁹	Leverage outstanding ISRF Program loans and provide additional program loan funds.	Expand the capacity of the ISRF Program to make loans for municipal infrastructure without additional State General Fund appropriations.	\$48,375,000	\$0
The South Malt Avenue Corporation (iWORKS US, Inc.)	City of Commerce	IDB	Variable Rate	Acquire land, construct a lighting fixture manufacturing facility, parking lot, and acquire related manufacturing equipment.	An estimated 43 new full-time jobs will be added within two years of project completion in an area with an unemployment rate of 172% of the State average. Estimated construction payroll of \$169,078 creating 3 construction jobs.	\$3,200,000	\$132,010

⁸ "PARB" means Public Agency Revenue Bond.

⁹ "TIC" means True Interest Cost.

APPENDIX 7—LISTING OF BOND PROGRAMS BONDS SOLD
Fiscal Year 2008/2009

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact)	Financing Amount	Leverage
The American National Red Cross	City of Pomona	501(c)(3)	Variable Rate	Refund the outstanding 2005 bonds issued by the I-Bank.	Facility processes in excess of 25% of the national Red Cross blood volume.	\$40,325,000	\$0
Academy of Motion Picture Arts and Sciences	City of Los Angeles	501(c)(3)	Variable Rate	Refund the outstanding 2002 bonds issued by the I-Bank.	Preserve and restore the motion picture films in its collection, and provide programs about motion pictures that attract students and visitors to a revitalized area of Los Angeles.	\$35,000,000	\$0
Betts Spring Company	City of Fresno	IDB	Variable Rate	Develop a 120,000 square foot facility and acquire manufacturing equipment.	An estimated 30 new jobs will be added within two years of project completion in an Enterprise Zone with an unemployment rate of 148% of the state rate. Estimated construction payroll of \$953,200 creating 21 construction jobs.	\$10,000,000	\$0
The Creative Center of Los Altos dba Pinewood School	Cities of Los Altos and Palo Alto	501(c)(3)	Variable Rate	Develop and equip property for classrooms and enhanced play areas. Acquire land and construct a gymnasium/activity center.	Provide high quality independent co-educational college-preparatory education to students in kindergarten through 12th grade. Approximately \$500,000 in tuition remission and scholarships are issued annually. Estimated construction payroll of \$2,790,000 creating 44 construction jobs.	\$13,500,000	\$2,500,000

APPENDIX 7—LISTING OF BOND PROGRAMS BONDS SOLD
Fiscal Year 2008/2009

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact)	Financing Amount	Leverage
The Colburn School	City of Los Angeles	501(c)(3)	Variable Rate	Refund the outstanding 2006B bonds issued by the I-Bank.	Serves 20,000 elementary school children each year, focusing on a performing arts curriculum with outreach to a broad economic and ethnic spectrum. Also hosts free concerts and performances by the Zipper Orchestra.	\$69,190,000	\$0
Santa Barbara Center for the Performing Arts, Inc.	City of Santa Barbara	501(c)(3)	Variable Rate	Acquire, restore, and develop the historic Granada Theatre and 10,000 square feet of adjacent space.	Provide performing arts experiences to the general public; arts education programs for students from age six to 18; and generate pedestrian traffic to benefit other businesses in downtown Santa Barbara. Estimated construction payroll of \$4,840,000 creating 98 construction jobs.	\$30,000,000	\$0
Casa Loma College	City of Los Angeles	501(c)(3)	Variable Rate	Acquire, remodel, develop and equip property for classrooms, an electronic library and staff offices.	Actively participates in workforce training programs to provide healthcare and training to unemployed individuals. The project will create up to 15 new teaching, tutoring and administrative jobs over the next 2 years. Estimated construction payroll of \$340,000 creating 6 construction jobs.	\$5,760,000	\$1,106,000

APPENDIX 7—LISTING OF BOND PROGRAMS BONDS SOLD
Fiscal Year 2008/2009

Name of Borrower	Project Location	Type of Financing	Interest Rate	Project Description	Public Benefits (Including Expected Employment Impact)		Financing Amount	Leverage
The Bay Institute Aquarium Foundation	City of San Francisco	501(c)(3)	Variable Rate	Acquire the Aquarium of the Bay.	Retention of approximately 70 full and part-time jobs. The Aquarium will be refocused as a regional resource center for study and preservation of the San Francisco Bay watershed.		\$6,500,000	\$0
Olam West Coast, Inc.	County of Fresno	IDB	Variable Rate	Acquire land and an existing building of a defunct dehydration plant to be used for new dehydration facility.	The project is expected to provide an estimated 175 full time jobs in a state-designated Enterprise Zone with an unemployment rate of 147% of the state average. Project is reusing a vacant facility. Estimated construction payroll of \$1,690,000 creating 37 construction jobs.		\$10,000,000	\$2,500,000
Total Bonds Sold	18				Estimated FTE Jobs: 333	Estimated Construction Jobs: 1130	\$1,248,990,000	\$191,758,010
					Total Estimated Jobs: 1463			

**APPENDIX 8—AUDITED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS OF THE
CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK¹⁰
(A COMPONENT UNIT OF THE STATE OF CALIFORNIA)
Fiscal Year 2008/2009**

	California Infrastructure and Economic Development Bank Fund	California Infrastructure Guarantee Trust Fund	Total
OPERATING REVENUES			
Interest on loans receivable	\$ 10,192,579		\$ 10,192,579
Administration fees	\$ 1,956,453		\$ 1,956,453
Total operating revenues	<u>\$ 12,149,032</u>		<u>\$ 12,149,032</u>
OPERATING EXPENSES			
Program support ¹¹	\$ 3,620,774		\$ 3,620,774
Total operating expenses	<u>\$ 9,173,166</u>		<u>\$ 9,173,166</u>
OPERATING INCOME	\$ 2,975,866		\$ 2,975,866
NONOPERATING REVENUE (EXPENSES)			
Investment income	\$ 1,445,687	\$ 519,540	\$ 1,965,227
Interest on bond debt	\$ 5,452,702		\$ 5,452,702
Amortization of bond issuance costs	\$ 99,690		\$ 99,690
Total nonoperating revenue (expenses)	<u>\$ 1,445,687</u>	<u>\$ 519,540</u>	<u>\$ 1,965,227</u>
Change in net assets	<u>\$ 4,421,553</u>	<u>\$ 519,540</u>	<u>\$ 4,941,093</u>
NET ASSETS, Beginning of year	<u>\$ 234,810,357</u>	<u>\$ 23,637,218</u>	<u>\$ 258,447,575</u>
NET ASSETS, End of year	<u>\$ 239,231,910</u>	<u>\$ 24,156,758</u>	<u>\$ 263,388,668</u>

¹⁰ The Statement of Revenues, Expenses and Changes in Net Assets is prepared on an accrual basis of accounting in accordance with generally accepted accounting principles.

¹¹ Program support expenses represent administrative expenses of the I-Bank.

**APPENDIX 9—STATEMENT OF CASH FLOWS BY PROGRAM OF THE
CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK¹²
(A COMPONENT UNIT OF THE STATE OF CALIFORNIA)
Fiscal Year 2008/2009**

	California Infrastructure and Economic Development Bank Fund	California Infrastructure Guarantee Trust Fund	
	ISRF Program	Conduit Bond Programs ¹³	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt of interest on loans receivable	\$9,596,404		\$9,596,404
Receipt of administration fees	\$955,334	\$861,467	\$1,816,801
Receipt of deferred loan origination fees	\$345,785		\$345,785
Receipt of principal on loans receivable	\$9,462,375		\$9,462,375
Payment of outstanding loan commitments ¹⁴	(\$43,825,450)		(\$43,825,450)
Payment of program support	(\$1,999,924)	(\$1,228,347)	(\$3,228,271)
Net cash used for operating activities			(\$25,892,356)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES¹⁵			
Receipt of bond proceeds	\$48,319,907		\$48,319,907
Payment of principal on bond debt	(\$2,840,000)		(\$2,840,000)
Payment of interest on bond debt	(\$5,492,920)		(\$5,492,920)
Net cash provided by noncapital financing activities			\$39,986,987
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt of interest on investments	\$2,134,278	\$18,472	\$2,762,560
Purchase of investments	(\$2,952,678)		(\$2,952,678)
Proceeds from sale of investments	\$33,351,165		\$33,351,165
Net cash provided by investing activities			\$33,161,047
NET INCREASE IN CASH AND EQUIVALENTS			\$47,255,678
CASH AND EQUIVALENTS, June 30, 2008			\$78,453,832
CASH AND EQUIVALENTS, June 30, 2009			\$125,709,510

¹² This information is being provided pursuant to Government Code Section 63035(d).

¹³ Conduit bonds issued through the I-Bank's Conduit Bond Programs are limited obligations of the I-Bank payable solely from the pledged revenues of the conduit borrower. As such, the conduit bonds are not reflected on the I-Bank's financial statements.

¹⁴ "Payment of outstanding loan commitments" means loan disbursements and also means local assistance.

¹⁵ "Cash from noncapital financing activities" represents bond financing activity to leverage the I-Bank's ISRF Program. Conduit bonds issued through the I-Bank's Bond Programs do not constitute a debt or liability of the State or of any political subdivision of the State, other than a limited obligation of the I-Bank payable solely from the pledged revenues of the conduit borrower, nor are a pledge of the faith and credit of the State or any political subdivision thereof. As such, fiscal impacts from conduit bond activity is not reflected on the I-Bank's financial statements.